GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:1056
ANSWERED ON:09.03.2005
SMALL SCALE PHARMA UNITS
Chowdhury Shri Adhir Ranjan

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a): whether the Government has received representations from small scale pharma units;

(b): if so, the details thereof; and

(c): the steps taken to protect the survival of genuine small scale pharma units?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a): Yes, Sir.

(b): Representations have been received from several small scale pharma units and associations regarding -

(i) difficulties faced by them in implementing the revised Schedule-M to the Drugs & Cosmetics Rules,1945 and seeking extension of time for implementation threof and also for reconsideration of the norms;

(ii) Ministry of Finance, Department of Revenue notification No. 2/2005-Central Excise(N.T.)dated 7.1.2005 subjecting drugs to maximum retail price (MRP) based levy of Central excise duty with 35 per cent abatement.

(c): The following steps have been taken in this context -

(i) Considering the representations, the Government of India in the Ministry of Health and Family Welfare has extended the date of implementation of revised Schedule-M relating to Good Manufacturing Practices (GMP) from 31.12.03 to 30.06.05 under notification No. H-11014/7/2003-DMS & PFA dated 4/6 January, 2005.

(ii) Financial assistance for technology upgradation is available to small scale pharma units under the Credit Linked Capital Subsidy Scheme of the Central Government, Ministry of Small Scale Industries.

(iii) The Central Government has increased the abatement rate for levy of MRP based central excise duty on drugs from 35 percent to 40 percent of MRP under notification No. 4/2005-Central Excise(N.T.) dated 23rd February, 2005.